What is claimed is:

1.   An apparatus for computing a preferred set of prices for a plurality of products, comprising:

5   an econometric engine for modeling sales as a function of price to create a sales model;

          a financial model engine for modeling costs to create a cost model; and

          an optimization engine coupled to the econometric engine and financial model engine to receive input from the econometric engine and financial model engine, wherein the optimization engine generates the

10   preferred set of prices.

2.   The apparatus, as recited in claim 1, wherein the optimization engine comprises:

          a rule tool, which stores a plurality of rule parameters; and

15   a price calculator connected to the rule tool, the financial model engine, and the econometric engine, wherein the price calculator determines the preferred set of prices based on rule parameters, the sales model, and the cost model.

20   3.   The apparatus, as recited in claim 2, further comprising a support tool connected to the optimization engine wherein the support tool receives the preferred set of prices from the optimization engine and provides a user interface to a client, wherein the user interface provides the preferred set of prices to the client.

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4.   A method for determining a preferred set of prices for a plurality of products, comprising:

creating a sales model;

creating a cost model; and

5   generating the preferred set of prices for the plurality of products based on the sales model and cost model.

5.   The method, as recited in claim 4, wherein the creating of the sales model comprises:

10   creating a plurality of demand groups, wherein each demand group is a set of at least one product and wherein at least one of the demand groups is a set of at least two products;

creating a sales model for each demand group; and

creating a market share model for each product in each demand group.

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